A BILL PUBLICATION · FAST FOOD

G1200-5A

Restaurant Business

DECEMBER 10, 1984

THE PRESIDENTS' FORECAST 1985

MARKET REPORT: ITALIAN page 105
Desserts page 197
LATELINE page 237

Restaurant Business

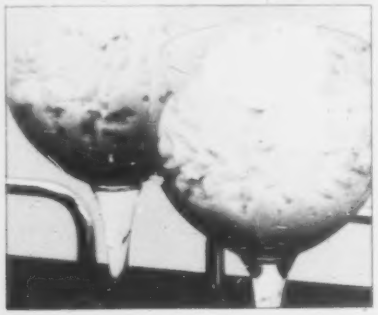
December 10, 1984 VOL. 83 NO. 18

Contents

COVER STORY

Presidents' Forecast Roundtable
Ten prominent presidents and food and beverage directors addressed four topics—consumer trends, the competition, legislative issues, and forecast for 1985—during an intensive roundtable discussion convened by *Restaurant Business* Magazine 137

MENU IDEAS



Delicious desserts
With the help of guest pastry chefs in the *Restaurant Business* Test Kitchen, food editor Kathleen Sanderson developed a dozen dessert specials that every operator will be proud to merchandise 197

FEATURES

Culinary Olympics
A firsthand report on the U.S. Culinary team's victorious trip to the Culinary Olympics in Frankfurt, Germany 92

Market Segment Report: Italian
New possibilities for pasta are spurring growth for this market segment 105

Tavern on the Green
Christmas will always be white and joyous at this famous New York City landmark restaurant which is now celebrating its 50th anniversary 122

Tucano
This trendy restaurant on Manhattan's East Side combines serious food with a showy image 128

Mini-stores
While several major fast food chains are upscaling, they are also downscaling by designing smaller versions of their concepts for high traffic areas 152

IFE '85
Billed as a premier showcase for Great Britain's food companies, the International Food and Drink Exposition will take place in London February 25-March 1 166

Chinois on Main
Wolfgang Puck's new restaurant in Santa Monica offers creative Chinese food California style 171

Sanitation & Safety
Two articles address the current attitudes of the industry towards these important subjects 206

DEPARTMENTS

Sanitation Tips 2
RB Insights 15
RGI Spotlight: Charleston, S.C. 16
Editorial 22
Up Front 28
Menu Planners Guide 72
Trade Quotes 90
Personal Finance
Early tax planning 98
Management Psychology 101
Worth Writing For 184
Raising Your Equipment I.Q.
Mobile carts push up sales 186
Drafts, Carafes & Spirits
Warm drinks for winter 191
Bar Management Guide 194
Design Marketplace 205
Buyer's Circle 216
Restaurant Stirrings 228
Classifieds 232
Calendar 236
Lateline 237
RB Eyes Washington 240
Restaurant Openings 242

Cover photo by Dan Wynn. Participants in the Presidents' Forecast Roundtable are (back row, l-r): Peter Hothorn, Inter-Continental; Lou Neeb, W.R. Grace; Max Pine, Restaurant Associates; (middle row, l-r): Ed Johnson, Grandy's; John Metz, Custom Management; Bob Rosenberg, Dunkin' Donuts; Spruill Bunn, Hardee's; John Cauley, Friendly's; (front row, l-r): Fred Rufe, Hilton Int'l; Art Gunther, Pizza Hut.

Market Segment Report

Italian market grows with fresh approach to pasta

by Jacque White Kochak

Pasta has possibilities, Americans have found. They're buying pasta machines to produce fettucine and linguine at home, and learning to distinguish between ziti and fusilli. Pasta is shedding its reputation as "fattening," and gaining popularity with the health conscious who seek to emulate athletes who consume pasta for its high complete carbohydrate content.

As a result, Italian restaurants are receiving fresh attention. The old favorites–restaurants in Italian enclaves from Little Italy in New York City to the North End in Boston to The Hill in St. Louis–continue to thrive, but at the same time a new breed of Italian restaurant is expanding. These restaurants capturing a market between fine dining and low-priced "spaghetti houses" frequently serve freshly made pasta, often prepared in view of the public, at moderate prices. Offering streamlined menus and a good price/value perception to customers with relatively low food costs, these restaurants seek the kind of expansion heretofore unknown in the Italian segment. Until now, Italian restaurants have been overwhelmingly single unit operations, usually with an Italian chef in the kitchen, but that is changing as entrepreneurs develop techniques to duplicate the tastes of Italian cooking for chain consumption.

continued on page 106

Based in Los Angeles, Spectrum Foods' Chianti has been serving classic Northern Italian cuisine since 1938.

Prego specializes in handmade pizzas cooked in a wood-burning brick oven

Larger companies watch the development with interest, and ask why there can't be a nationwide mid-priced Italian chain like the Mexican Chi-Chi's. California-based Josephina's, an 11-unit chain serving pasta and pizza, was acquired this year by giant Collins Foods after a deal with Long John Silver's fell through. Reportedly, several other large companies are shopping around for just the right concept to expand.

At the upper end of the segment, Italian restaurants have taken on a new stylishness. From New York to Phoenix to San Francisco, they are responding to the same trends as other upscale restaurants: emphasis on the freshest possible ingredients, utilization of more seafood, use of lighter sauces, and use of Italian recipes as a jumping-off point for unusual creations.

At the same time, upscale Italian restaurants are looking to the past. They are returning to traditional ways of cooking such as wood burning brick ovens, and using traditional recipes from different regions of Italy.

Though the hearty red sauces of Southern Italy will always be popular, "Northern Italian" cooking is now fashionable. The name is a misnomer, however, as one operator points out. "Northern Italy is divided into various regions, and each has a distinctive style of cooking," he notes.

Fast food Italian cooking is still a rarity because of the difficulty of holding pasta and possibly because of customer resistance. Fast Italian food does exist, however, and when done well has flourished.

Despite the unquestioned popularity of Italian food, both Mexican and Oriental restaurants, the two most popular ethnic cuisines, outnumber Italian restaurants almost three to one. There are only 4,054 Italian restaurants in the country, according to Restaurant Consulting Group's RE-COUNT study, while there are 11,352 Mexican restaurants and 11,369 Oriental restaurants. (Note: There is separate breakout for the pizza segment which has a total of 29,264 restaurants).

Not surprisingly, Italian restaurants are concentrated in areas with large Italian populations. The largest number–1,020, or 2.3 percent of total restaurants–are found in the Middle Atlantic region of New York, New Jersey and Pennsylvania. New England had the next largest percentage–2.2 percent of all restaurants, or 348, are Italian. You'll be least likely to find an Italian restaurant in the East/South Central region, where only 84 restaurants, or 0.6 percent of the total serve Italian cuisine.

Mid-price restaurants

At this point, L.A.-based Josephina's plans the most aggressive expansion, thanks to the infusion of capital from Collins Foods. There are now 11 Josephina's (10 in Southern California, one in Denver), and 10 more units are planned to open over the next 12 months. Six will be in Southern California, four in Denver, says David Sidell, president. "The first 15-18 units will open in California and Colorado before the company expands nationwide," he adds.

"We're not looking for a mass market," Sidell says. "We couldn't have 1,000 Josephina's around the country, but we could have several hundred."

"Unit sales range from $1.3 million to $2.5 million, with a Simi Valley franchisee posting sales of $3 million," Sidell points out.

Josephina's started 10 years ago serving mainly deep-dish Chicago-style pizza. Today, pizza generates only 40 percent of sales, and fresh pasta dishes range in price from $6.95 to $8.95, and include seafood marinara with linguine and primavera with pesto sauce. The highest priced entree is scampi for $13.95. Units also feature a pasta buffet with eight to 10 fresh cold pasta salads.

Josephina's decor is light, bright, and fresh, unlike the dark interiors often associated with Italian restaurants. Brass, stained glass, and green plants predominate. Furniture is white metal bentwood and rattan, and the restaurants are multi-leveled to break up space.

Among other moderately priced pasta restaurants plotting expansion are St. Louis' Pasta House Company, New Jersey's Pastabilities, Minneapolis' Ciatti's, Phoenix's Pasta Segno, Atlanta's Joe Rigatoni, and Louisville's Mamma Grisanti's. More mature chains that have

continued on page 108

The Old Spaghetti Factory features spaghetti plus made-on-premise pasta.

carved a place for themselves serving spaghetti include Portland, Oregon-based Old Spaghetti Factory International (OSF International) and Dallas-based Spaghetti Importing & Warehouse Company.

At this point, St. Louis' Pasta House Company is one of the larger pasta chains, with 10 company and nine franchised units scattered mainly around the neighborhoods of St. Louis. Units average about $1 million in annual sales.

The restaurants serve a menu ranging from pasta with broccoli to tortellini in a cream sauce with cheese and vegetables. Prices are moderate (in the $4-$5 range), and the average check is $4 at lunch, $7.50 at dinner. Decor varies from unit to unit, but the feel is open and contemporary.

Partners John Ferrara, J. Kim Tucci, and Joe Fresta have devoted considerable attention to developing a system for duplication of fine meals on a chain basis. Orders are expected to be served within 10 minutes. Pasta is pre-cooked, three-quarters of the way to al dente at the beginning of the day, then held in cold water. Orders are filled by completely cooking each portion and finishing it with sauces prepared to order from homemade tomato and cream bases which are also prepared in advance. The company also uses "butter balls" composed of butter and spices, shaped, chilled and added to pasta as called for in various recipes.

At Pastabilities in Morristown, New Jersey, orders are delivered in one minutes with an equally streamlined system. Pasta is pre-portioned and pre-weighed, and orders are individually prepared in steam-jacketed kettles fitted with baskets for individual orders. Computerized timers, one for each basket, keep track of times. Cooked pasta is passed down the line, where it is placed in colanders and hosed down with boiling water to remove starch. Next on the line is the saucing station, where six sauces are held on a steam table that also holds meatballs, braciola, cavatelli en broccoli, and sauces for pollo al limone and vitello Domenico.

This Pastabilities is the second unit to open, but the first—a mall unit in Short Hills, N.J.—closed, and the Morristown unit will serve as a prototype for expansion, according to president Tony Bastardi. Bastardi says he found that mall hours were too limiting, and the unit's size (96 seats) was too small to justify the fixed kitchen overhead. The new unit also offers a full drink menu, unlike the first. The Morristown unit should gross $2 million in 1984, Bastardi says.

At Pastabilities, a pasta chef in full regalia makes fresh pasta in a display area. The customer can mix and match six fresh pastas and six sauces to make a variety of moderately priced entrees. The menu also offers traditional favorites such as ravioli, manicotti, lasagna, and eggplant parmigiana. Prices range from $4.50 for pasta with marinara sauce and a salad to $8.50 for vitello Domenico, served with salad and pasta. Average check runs $11 with liquor.

Pastabilities began as a growth

continued on page 110

Avanzare uses Northern Italian recipes as a base for inventive items.

Pop's utilizes a wood-burning brick oven and mesquite grill.

Pop's in Phoenix offers a wide selection of unusual entrees.

and diversification project for Celentano, a Northeastern producer of frozen Italian food. It quickly became apparent the project would require specialized skills and management, so Bastardi, then project chairman, licensed the name and developed the concept on his own. Because of its link with Celentano, baked pastas and several sauces are prepared at the Celentano facility and delivered to Pastabilities daily.

Two more Pastabilities will open in the next six to eight months, in Clifton and Parsippany, New Jersey. Long range plans call for opening five company-owned units to serve as a basis for a national franchising network. The company made a public stock offering last year to finance expansion.

At Ciatti's in Minneapolis, everything is made on-premise, from breads to pastas to sauces to pastries. The pasta, however, is made in the kitchen rather than in a display area.

The menu offers a number of Northern and Southern Italian sauces, pastas, and several veal, chicken, and seafood dishes, plus two homemade soups (minestrone and tortellini y brodo). Phil Danford, vice president of operations and originator of the concept, notes that items with lighter white sauces are the most popular.

"The old favorites are still an important part of the menu, but as people get to know Italian food they try other dishes, and more white sauces," he says. "Tortellini a la panna, paglia e fieno ("straw and hay") and pasta primavera (fettucine with fresh vegetables) are among our most popular entrees."

The restaurant opened over two years ago. There are now two units, with another 230-seat unit under construction in Madison, Wisconsin, and a fourth site to open in August in an undisclosed city. Two more units will open next year.

The first franchised Ciatti's opened in last December in Oklahoma City. Franchisee Don Stelli is known for having compiled the operations package for the first Chi-Chi's, and Danford says he anticipates further franchising.

The first Ciatti's grosses $1.5 million a year. Prices are moderate ranging from $4.55 to $7.95 for a full dinner. Average check is around $9.

Pasta Segio's in Phoenix serves a similar menu, though pastas are not made on-premise.

The menu is 75 percent pasta, with six baked pasta entrees (manicotti, tortellini, ravioli, lasagna, cannellom, and rigatoni with fresh sauteed vegetables) and four specials nightly. "We stress pasta, and pasta accounts for 50 percent of our sales, but we have diversified the menu because if people eat here four or five times they want something different," says co-owner Anthony Curella.

At Pasta Segio, entrees range in price from $5.95 to $10.95, with specials ranging in price from $10.95 to $12.95. Average dinner check is $10; lunch, $5.

The original Pasta Segio's is a sim-

continued on page 112

ple operation with a pared down kitchen and only 68 seats. Nevertheless, sales are expected to reach $450,000 this year. A second unit just opened in Tempe, Arizona, and Curella anticipates that two more units will open in the Phoenix area next year.

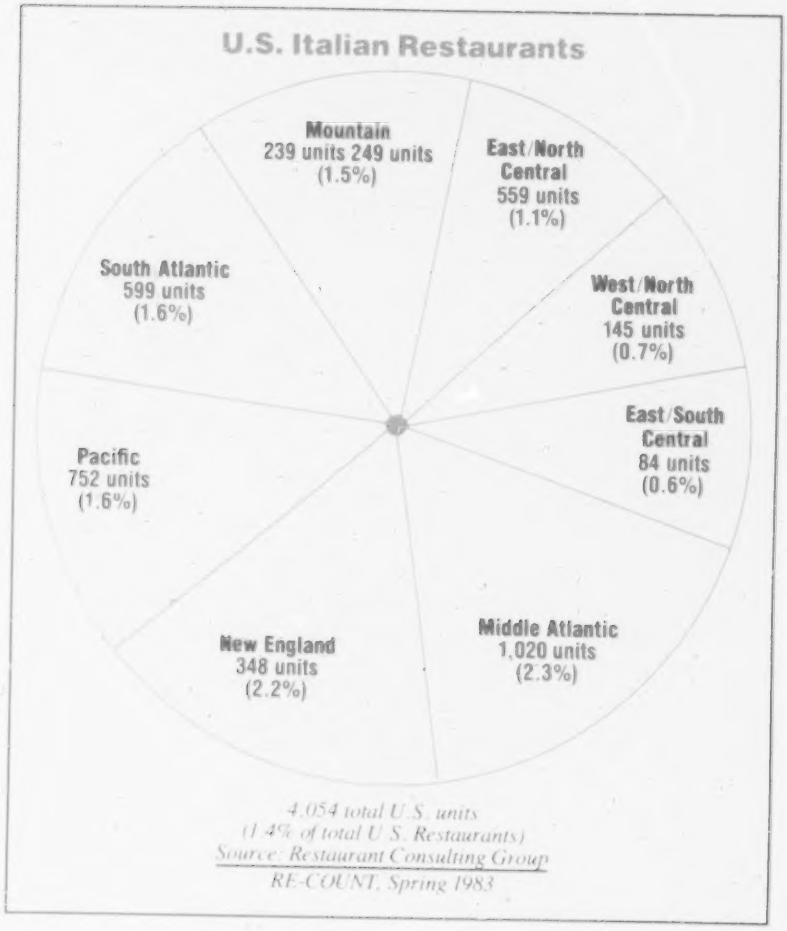
Pasta Segio's atmosphere is "semi-elegant," says Curella. "We have linens, and waiters with aprons and bow-ties, but four people can have wine, appetizers, entree, and dessert for $40," he points out.

Joe Rigatoni's in Atlanta has been in operation for five years. Several units folded, and Bob Provissiero bought the first unit in bankruptcy. He revamped the concept and increased gross sales 30 percent in the first six months. Lunch business is now up 500 percent, and Provissiero projects 1984 sales of $1.3 million. Joe Rigatoni offers a more extensive menu with 11 appetizers, and several burgers and steaks. Price range is from $3.95 to $10.95, with an average check of $10.

One notable feature is the spaghetti bar. Customers order from seven different pastas, which are served from the kitchen. They then take plates of pasta to the bar, where they choose from eight sauces. The bar costs $6.95 (including salad) and accounts for 30 percent of sales.

Joe Rigatoni is also distinguished by its decor, more elegant than similar concepts. Three dining areas each have their own character, from casual to elegant.

Occupying a slightly different niche are Portland, Oregon-based Old Spaghetti Factory International and Dallas-based Old Spaghetti Importing & Warehouse Company. Both are older, more established companies–OSF International was founded in 1969 and is now 21 units strong (with three units in Germany and Japan), and the Old Spaghetti Importing & Warehouse Company was founded in 1972 and now has eight units. OSF International expansion has been on hold pending completion of a new restaurant and office complex in Portland, but the Old Spaghetti Warehouse will open one unit next year. Limited franchising is under consideration.



4,054 total U.S. units
(1.4% of total U.S. Restaurants)
Source: Restaurant Consulting Group RE-COUNT, Spring 1983

Both chains are similar in concept. The OSF International menu was originally all spaghetti, but a year and a half ago made-on-premise pastas were added. The menu now includes such entrees as fettucine Constantine, a spinach fettucine topped with a cream-based cheese sauce.

Old Spaghetti Warehouse continues to offer its menu of 11 different spaghetti entrees, plus Italian specialties including a 15 layer baked lasagna. The menu has not changed significantly since the chain's inception, according to Bob Gilka, director of advertising and marketing for the company.

Both spaghetti concepts have lower check averages than the up-and-coming pasta houses. Check average at Old Spaghetti Warehouse is $6.50 for dinner without drinks, and $5.25 at OSF International.

Spaghetti is perennially popular, and average unit volume at both concepts ranges from $1.3 million to $1.5 million.

Upscale restaurants

Among upscale restaurants, fresh pasta has often been a staple. There is no move to expand an upscale Italian restaurant to any great extent, because fine Italian cooking requires considerable skill and talent.

Long-time favorites such as New York City's mammoth Mamma Leone's (seating 1,000 and catering to tourists) continue their popularity, but you'd be hard put to discover lasagna on the menu of some of the newer Italian concepts.

One example is Chicago's Avanzare which is associated with but not actually a part of the innovative Let-

continued on page 118

tuce Entertain You Enterprises. The elegant restaurant commands an average check of $25 per person. Operating partner is Marvin Magid, who says, "We don't claim that every item we serve is actually cooked in some restaurant in Northern Italy. We try to give a feel for what is eaten there. We are inventive. We take Northern Italian recipes and mix them in a way not ordinarily seen."

That can mean carpaccio (thin slices of beef) with a tomato vinaigrette sauce instead of the more common beef sauce, for instance.

"We don't forget that Italian food is simply prepared," Magid notes. "The best is completely fresh, with two or three different flavors running through it."

Also using Italian recipes as an inspiration but moving beyond is Allegro in Waltham, Massachusetts. Near Boston, the restaurant draws from the city's affluent suburbs. Chef/owner Jim Burke changes the menu every three weeks. One night, the menu might include sauteed duck with balsamic vinegar, honey and thyme; and a partridge dish with fresh chanterelle mushrooms.

Burke also operates Pasta by Allegro, a company that sells pasta to other Boston restaurants. Unusual variations include chestnut pasta, made with chestnut flour; wild rice pasta, for which he mills wild rice himself; and pumpkin pasta. Pastas are incorporated into such entrees as pumpkin tagliatelle with fresh cape scallops, butternut squash, nutmeg, and parmesan cheese.

Burke's innovative touch is not limited to pasta. He makes a prosciutto of lamb, adapting the traditional method of curing meat to lamb leg instead of pork leg. He serves loin of venison with chestnut fettucine, and rabbit ravioli or tortellini of rabbit. Very popular is risotto sausage. Italy's traditional saffron-flavored rice dish is incorporated into a sausage and served with grilled veal sirloin steak.

This innovation isn't inexpensive. Allegro's average check is $40 per person for dining in a casual, cafe-type atmosphere.

Restaurants that are returning to the roots of Italian cooking–seeking out authentic regional recipes and styles of preparation–include those operated by Los Angeles' trendsetting Spectrum Foods. Spectrum's restaurants include L.A.'s classic Chianti, serving Northern Italian cooking since 1938 with French service and waiters in tuxedos; two Prego restaurants, specializing in handmade pizzas cooked in a wood-burning brick oven, fresh pasta, and mesquite-grilled foods; Ciao, a small trattoria in San Francisco serving fresh pasta and mesquite-grilled foods; and Harry's Bar & American Grill, a duplicate of the Florence establishment made famous by author Ernest Hemingway.

"We make food the way it has been made in Italy for hundreds of years," says Spectrum president Larry Mindel. All the concepts boast average unit volumes in the $3 million range, with average checks of about $18 per person at dinner.

Spectrum's newest addition is Chianti Cucina, a dining area that is literally in Chianti's kitchen. "One of my favorite things when I go to Italy is being invited to eat in the kitchen at a restaurant," says Mindel. "Last year, we found that Chianti needed a new kitchen, so we moved the kitchen next door and made it large enough to include tables and chairs."

Even the marble baker's table seats customers when not in use. The kitchen has a marble floor, with gleaming white tile everywhere and drying pasta on racks in the background. The kitchen, which seats 40, includes a delicatessen display case, a new rotisserie over the mesquite charcoal grill, and bins for storage of some 2,000 bottles of wine.

The idea of dining in the kitchen is so popular that customers must make reservations two weeks in advance. The kitchen serves Chianti's regular menu plus about 10 chef's specials. Average check is $20 per person, compared to Chianti's $25.

Phoenix's Pop's, operated by Big 4 Restaurants, is also returning to the basics of Italian cooking. "We try to offer a wide selection of entrees that are not that widely known," says Norman Hoffman, part of a team of three corporate chefs. "Sometimes, we interpret the recipes in an American way."

Pop's also utilizes a wood-burning brick oven and mesquite grill. The concept was influenced by other restaurants around the country, particularly in California. Big 4 spent $40,000 on food research and development.

Typical menu selections include a mesquite-grilled duck with a reduced sauce of duck stock and sherry, fresh plum tomatoes, fresh basil grown on-premise, and poached gar-

continued on page 120

There are 11 spaghetti entrees available at the Old Spaghetti Warehouse.

At Pastabilities, customers mix and match six pastas and sauces.

lic cloves. A popular appetizer is bagna cuada, an anchovy-garlic dip served warm with assorted fresh vegetables.

All pastas are made on-premise. Popular selections include angel hair pasta with cream, vodka, smoked salmon, fresh herbs and American golden caviar for $10.95; fettucine with four cheeses, spinach, cream and fresh basil for $7.95; and seafood linguine with shrimp, lobster, and scallops for $11.95.

Price range is from $6.95 to $11.95 for pastas and from $4.25 to $14 for specials, says Hoffman. Average check for dinner is $16, and Pop's gross annual volume this year should approach $3 million. Big 4 is looking for sites to open more Pop's in Texas and San Diego.

Franco's Ristorante y Pastaria in Boulder, Colorado, is an example of a restaurant that originally served primarily pasta but gradually added more selections as customer sophistication increased. Located in the Hotel Boulderado and part of a company called Concept Restaurants, Franco's seats 120 and offers a price range from $6.25 to $14.95. Average check without drinks is $9.

A pasta bar originally accounted for 60 percent of sales, but that has dropped to 40 percent, says Jeff Brown, operations manager for Concept Restaurants. The self-service pasta bar is still popular, however. The bar includes four standard sauces (Alfredo, marinara, Bolognese, and red clam) as well as two sauces of the day from a selection of about 15, including mushroom, veal, Romano white clam, prosciutto, and chicken cacciatore.

With the widening of entree selections annual sales have grown 25 to 30 percent over the last year, says Brown. New selections include chicken saltimbocca, veal marsala, and shrimp imperia (sauteed shrimp with white wine and herbs over linguine in a light cream, shrimp, and avocado sauce).

Like some of the other concepts Franco's features a display kitchen where pastas and salads are made.

Casa Grisanti in Louisville is an example of a classic Italian restaurant that has been open for many years but retains its freshness. Northern Italian cuisine is served in a contemporary atmosphere. In the main dining room, one wall is solid brass, with the others being sisal. Art shows hang on the sisal walls, and all food is prepared tableside so shadows of the flames dance on the brass wall.

Part of the reason Casa Grisanti "remains current" is that the menu changes every three months. Co-owner Michael Grisanti notes that 40 percent of his customers don't even look at the menu; they just ask the waiter. They can even ask the chef to prepare a dish they've tried somewhere else, if they can describe it.

Popular selections include panzarotti di mare; homemade ravioli filled with shrimp, herbs, and pine nuts and served with a very delicate sauce made of butter and crushed pine nuts; veal Gabriele, milk-fed veal sauteed and simmered in white wine and veal stock with fresh honeydew melon, cantaloupe, and capers; and hazelnut soufflé, a hot dessert souffle with chopped hazelnuts, flamed at the table.

Casa Grisanti's prices range from $11.95 to $16.95, with the average dinner check between $30 and $35 with liquor.

Grisanti also operates a mid-priced Italian concept called Mamma Grisanti's. With one unit in Louisville and one in Bloomington, Indiana, the concept is slated for expansion.

Italian fast food

There have been plenty of Italian fast food restaurants, with names like "Reddy Spaghetti," that have flopped. One that has succeeded is Kansas City's V's Pasta Parlor, with three units (one downtown and two in regional malls).

V's serves eight different pastas with three different sauces, as well as two sandwiches, pizza bread, and salads. Owner Vince Totta keeps his preparation system a secret, but says that it is based on custom equipment and a unique arrangement. He notes that the big obstacle to serving fast food pasta is the short holding time of pasta. "You have a lot of waste if you over produce pasta," he says. "We cater to people with 30 minute lunch breaks, and have no waste."

Price range is from $1.79 to $2.99, with an average check of about $3, says Totta. Units averaged annual sales of about $250,000 last year. Totta notes that an improving economy has boosted its popularity. "A couple of years ago I tried to promote pasta as low calorie and nutritious, but people didn't believe me," he says. "It was like trying to tell somebody that red is blue. But now people see pasta as a low-calorie, low-fat, high carbohydrate, high energy food."